AMENDED IN ASSEMBLY AUGUST 7, 2012 AMENDED IN ASSEMBLY JUNE 11, 2012 AMENDED IN SENATE JANUARY 25, 2012 AMENDED IN SENATE JANUARY 4, 2012

SENATE BILL

No. 455

Introduced by Senator Pavley

February 16, 2011

An act to amend Section 4621 of, and to add Section 4622.5 to, the Public Resources Code, relating to forestry.

LEGISLATIVE COUNSEL'S DIGEST

SB 455, as amended, Pavley. Forestry: timberlands: conversion mitigation.

The Z'berg-Nejedly Forest Practice Act of 1973 prohibits a person from conducting timber operations unless a timber harvesting plan prepared by a registered professional forester has been submitted to, and approved by, the Department of Forestry and Fire Protection. A violation of the act is a crime. The act also requires a person who owns timberlands, which are to be devoted to uses other than the growing of timber, to file an application for conversion with the State Board of Forestry and Fire Protection.

This bill would prohibit the department from approving an application for conversion of timberlands of 3 or more acres unless specific mitigation requirements are met. The bill would provide an exception for a county that adopts a timberland conversion and mitigation ordinance that meets or exceeds the mitigation requirements. The bill would authorize a timberland conversion permit applicant to contract for with the state, among others, to implement mitigation activities. The

 $SB 455 \qquad \qquad -2-$

3

4

5

8

9

10

11 12

13

14

15

16 17

18

bill would establish a continuously appropriated fund to be administered by the Natural Resources Agency and would require that moneys received under a contract to mitigate a conversion of timberlands be deposited in the fund and expended for that purpose. The bill would also allow the department to collect a fee for permits applicable to the conversion of timberlands of 3 or more acres to cover its costs and the costs of the Department of Fish and Game in approving timberland conversion permits and ensuring that mitigation requirements are met.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
 - (a) It is the intent of the Legislature to maintain California's current acreage of timberlands in order to provide for the environmental and watershed amenities of timberlands and to maintain the economic productivity of those lands.
 - (b) It is also the intent of the Legislature to maintain California's timberlands to help achieve the state's greenhouse gas reduction goals.
 - (c) It is further the intent of the Legislature that the impacts of the conversion of timberlands to nonforest uses be mitigated in a way that provides a mechanism to help maintain California's timberland base.
 - (d) It is further the intent of the Legislature that those who convert timberlands to nonforest uses, mitigate those impacts, which will create economic incentives for other landowners to manage their lands to maintain and restore timberland to help achieve the state's climate goals.
- 19 SEC. 2. Section 4621 of the Public Resources Code is amended 20 to read:
- 4621. (a) Any person who owns timberlands, which are to be devoted to uses other than the growing of timber, shall file an application for conversion with the board. The board shall, by regulation, prescribe the procedures for, form, and content of, the application. An application for a timberland conversion permit shall be accompanied by an application fee, payable to the

-3— SB 455

department, in an amount determined by the board pursuant to subdivision (b).

- (b) The board shall establish, by regulation, a system of graduated timberland conversion permit fees to finance the cost of administering this article.
- (c) For permits applicable to the conversion of timberlands of three or more acres, the department may collect a fee, as necessary, to cover its costs and the costs of the Department of Fish and Game in approving these timberland conversion permits and ensuring that mitigation requirements occur and are maintained over time.
- SEC. 3. Section 4622.5 is added to the Public Resources Code, to read:
- 4622.5. (a) An application for conversion of timberlands of three or more acres shall not be approved unless the department, based on information provided by the applicant, finds all of the following:
- (1) All of the environmental impacts of the conversion, including impacts on wildlife, habitat values, and forest type are fully mitigated. This determination shall be made in consultation with the Department of Fish and Game.
- (2) The mitigation pursuant to paragraph (1) occurs on California timberlands and complies with the greenhouse gas reduction principles identified in subdivision (d) of Section 38562 of the Health and Safety Code.
- (3) The mitigation pursuant to paragraph (1) includes the loss of carbon in above-ground and below-ground biomass and the loss of future ongoing carbon sequestration. The mitigation shall be consistent with the greenhouse gas methodologies approved by the California State Air Resources Board.
- (4) The mitigation pursuant to paragraph (1) will be implemented as required under subdivision (e).
- (b) All mitigation associated with conversion projects shall be on lands that secure the mitigation with a permanent conservation easement and include, but not be limited to, the reforestation of a previously forested area at a minimum acreage ratio of—1:1 *one-to-one*. The lands on which this mitigation occurs shall not have been in forest cover for at least 10 years.
- (c) To the extent the reforestation activity in subdivision (b) does not fully mitigate the impacts of the conversion project

SB 455 -4 -

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24 25

26

27

28

29

30

31

32

33

34

35

36 37

38

identified in subdivision (a), the applicant shall undertake one or a combination of the following actions:

- (1) Avoid the loss of carbon in above-ground and below-ground biomass by preserving timberland at risk of conversion.
- (2) Manage timberlands to sequester additional carbon in above-ground and below-ground forest biomass.
- (d) All mitigation shall be the responsibility of the timberland conversion permit applicant.
- (e) All mitigation shall be implemented within one year of the conversion to nonforest use and in either of the following ways:
- (1) The permit applicant may undertake the mitigation directly, if the department finds that the mitigation will comply with this section.
- (2) The permit applicant may undertake the mitigation through contracts or other agreements with the state, or if the department finds that the mitigation will comply with this section, with third parties that have expertise in managing timberlands, including local conservation corps, nonprofit organizations, or private landowners.
- (f) (1) The Timberland Conversion Services Fund is hereby created in the State Treasury, to be administered by the Natural Resources Agency.
- (2) All moneys received by the agency pursuant to an agreement authorized under paragraph—(a) (2) of subdivision (e) shall be deposited in the fund and expended to mitigate the timberland conversion that is the subject of that agreement.
- (3) The moneys in the fund shall be continuously appropriated to the agency for purposes of this section.
- (g) Conversions that comply with subdivision (g) of Section 4584 are exempt from this section.
- (h) The department may exempt from this section a county that adopts a timberland conversion and mitigation ordinance that it finds meets or exceeds the mitigation requirements of this section.
- (i) The department shall develop guidelines to assist in compliance with this section. Any guidelines shall be developed in consultation with and approved by the California State Air Resources Board and shall be consistent with the relevant greenhouse gas accounting method developed by the California State Air Resources Board. The California State Air Resources
- 39 40 Board and the department may seek reimbursement of their costs

5 SB 455

- from any appropriate source including the fund established in paragraph-(2) (1) of subdivision-(e) (f).
- 3 (j) The requirements imposed by this section for the approval
- 4 of a timberland conversion permit are in addition to any other
- 5 requirements established by law or regulation.